

**MINUTES OF REGULAR MEETING - VIDEO**  
**OPEN SESSION**  
**December 15, 2011**  
**ILLINOIS GAMING BOARD**  
**CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Thursday, December 15, 2011 a Regular Meeting - Video of the Illinois Gaming Board ("Board") was held on the 3<sup>rd</sup> floor at 160 N. LaSalle, Chicago, Illinois.

On Thursday, December 15, 2011 at approximately 12:30 P.M. the following Board members were present: Chairman Jaffe, Members Z. Scott, Maribeth Vander Weele, Michael Holewinski and Lee Gould. At 12:40 P.M. on Thursday, December 15, 2011, Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat gambling Act, Member Gould moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Personnel matters;**
2. **Investigations concerning applicants and licensees; and**
3. **Closed session minutes.**

Member Holewinski seconded the motion. The Board approved the motion unanimously by voice vote. The Board recessed and went into open session at 3:00 P.M. Present were the following: Chairman Jaffe, Member Gould, Member Vander Weele and Member Holewinski.

**APPROVAL OF MINUTES – Open Session**

Member Gould moved that **the Board approve the open session minutes of its Regular Meeting of September 20, 2011.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

**ADMINISTRATOR'S REPORT –**

Administrator Ostrowski reviewed the year of 2011. The following is a brief synopsis of his review:

The IGB issued Rules and made certain amendments including but not limited to: new definitions, new licensing procedures and procedures for transportation and distribution of video gaming terminals.

Continued to work with our test lab GLI regarding setting of standards, testing certifying VGT's and providing comments on our website.

Central Communication System contract awarded on November 22, 2011.

Received 31 applications for manufacturers, distributors and suppliers. 15 have been approved as of 12/1/11.

99 terminal operators applications have been received.

Investigations:

PSICs – 409 investigations

SIP – 65 investigations

IP – 778 investigations

Business Entity – 72 investigations

Institutional – 13 investigations

Trusts – 34 investigations

Total – 1,501 investigations

### **PUBLIC COMMENTARY –**

#### **Roy Corrie, Royboy Corporation –**

The following is a statement that the representative of Royboy Corporation read:

Welcome new Board Members. Thank you Chairman Jaffe and new Board Members for letting me speak. My name is Roy Corrie, owner of New Way Gaming Terminal and Central Communication System with the latest Technology for legal Video Gaming and Casinos in Illinois. I'm here today to let the new members of this auspicious board to become aware of my All-In-One Gaming Terminal and advantages for all involved. After laborious research, my legal team and I have determined there is still time to amend the rules and regulations of the Video Poker Act allowing an advantage to the People of Illinois and not the Illinois Coin Machine Operators Association. If allowed to have my All-In-One Gaming terminal given the opportunity for me and my company to be reviewed, such review would show the state of Illinois a savings of \$3.2B and increasing its gross income to well over \$15B over the next 10 years. I am positive the previous Illinois Gaming Board did not read my proposal in the past. If they had, I am sure the Illinois Gaming Board and its members would not ignore the seven distinct advantages with the All-In-One terminal. I believe any competent individual and this Board, after reviewing the information and look at the advantages as proved by empirical data would be impressive. I therefore request the members of this Honorable Board to again review the data within the proposal and see what the State of Illinois would receive over the next 10 years.

1. Receive 3 times the gross income
2. Complete elimination of organized crime and all taxes would be received by the State.
3. The municipalities would receive 6 ½ times at 10% of the gross income.
4. There would be no cost for a central communication system.
5. The state savings and income would exceed \$16M
6. No manipulating the terminals (no money in the terminals)

7. Ability to oversee and police over 15,000 establishments and over 60,000 terminals simultaneously and instantly.

As these are the major advantages there are several more which can be discussed with more specificity along with an examination of the All-In-One gaming terminal prototype at a meeting.

Chairman Jaffe has repeatedly stated on television and in the newspapers this Board is doing the right thing for the people of Illinois. I implore this Board and its members to take a second look at my invention and proposal. Upon doing so, I believe this Board would embrace my technology. Our goal is not to stop the law and start over, but to insure all involved have a level playing ground for others. I believe given the opportunity to prove its functionality and viability, this Board would authorize the All-In-One Gaming Terminal and my proposal for the State of Illinois. Chairman Jaffe speaking for the Board in the past has stated by putting more casinos and racetracks with Video Poker Terminals would flood the gaming market in Illinois. I believe this is not true and would like to see the data supporting such statements. Shouldn't the gaming market itself decide as to what the market will bear? This Board's former counsel, Michael Fries, stated emphatically we would have to "change the law" and completely start over. After discussions with a few of the members of the Illinois legislature and our legal team the law could be changed by amendment and interpretation of the present law. Changing the law as stated by Mr. Fries to myself and associate was and is simply not the truth.

With my 20 plus years experience in video poker gaming specifically in liquor pouring establishments it is my belief All-In-One Gaming Terminal and proposal would be of a great advantage to the people of the State of Illinois. I'd like to take this time to thank the Board for allowing me this opportunity to speak and Mr. Corrie is now open for questions from the Board.

Mr. Corrie expressed concern that the Board does not take him seriously in referencing his proposal. The Chairman stated that the previous Board read his proposal and are not interested in his proposal. Mr. Corrie took offense to the statement and had to be asked to leave the meeting.

**Anita R. Bedell, Executive Director, Illinois Church Action on Alcohol & Addiction Problems -**

The following is a statement that Anita R. Bedell read to the Board.

Thank you for giving me the opportunity to speak and introduce myself to the new Board. Illinois Church Action on Alcohol & Addiction Problems has been working to prevent alcohol problems for over 100 years. Our organization has worked to educate churches and the public about the problems of gambling for almost 20 years.

Many times we are the lone voice speaking out in opposition to gambling expansion legislation at the capitol. We are thankful to Chairman Jaffe for speaking out to safeguard the public about the massive gambling expansion bills that were introduced in the General Assembly this year. SB 744 was amended seven times before it passed in May. We, too, are opposed to the Provisional video Gambling Licensure that was included in the bill.

Our organization supports the strict regulation of gambling. The Illinois Gaming Board and the Illinois Video Gaming Board should not be rushed in the licensing process. We ask that you take the necessary time to do thorough background checks to prevent the infiltration of organized crime.

We have heard from many families whose loved ones have been addicted to gambling. We ask that you require all patrons to be carded before they enter the casino or video gambling facility to prevent those on the self-exclusion list from gambling. We are concerned that these problems will escalate with the implementation of video gambling in communities statewide.

A few weeks ago, Shorewood adopted an ordinance to “opt out” of video gambling. While 81 communities or counties have “opted out” of video gambling, many communities are taking no action until this Board has all of the rules in place. Before video gambling is implemented in a community, we ask that a public hearing be held to inform residents, have a discussion, and give local officials the opportunity to “opt out”.

### **LICENSEE ITEMS-**

Items for Consideration –

- Spielo International Canada ULC – New Manufacturer’s License

Based on a review of staff’s investigation and recommendation, Member Holewinski moved that **the Board approve Spielo International Canada ULC for a Manufacturer’s License effective December 15, 2011 for a period of one (1) year, expiring in December, 2012.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Coastal Amusement Distributors, Inc. – New Manufacturer’s License

The Administrator stated “You have before you, staff’s investigation regarding Coastal Amusement Distributors, Inc. and its owners.

Staff’s investigation revealed that Coastal and its owners, failed to meet the qualifications required in the Video Gaming Act 230 ILCS section 40/45 and Board Rule 1800.420. those factors include but are not limited to: in 1991 Iowa denied SMS a license to manufacture VGTs a company owned by Mr. Mirando, in 1991 New Brunswick Canadian authorities revoked SMS license. The findings of the New Jersey commission of investigations report in 1990 Coastal through Mr. Mirando has a background in business associations that pose a threat to the security and integrity to video gaming in Illinois. Coastal and its owners present questionable business practices incidental to the conduct of video gaming in Illinois. Therefore staff would recommend that Coastal’s application for video manufacturer license be denied

Based on a review of staff's investigation and recommendation, Member Vander Weele moved that **the Board deny Coastal Amusement Distributers, Inc. for a Manufacturer's License.** Member Jaffe seconded the motion. The Board approved the motion unanimously by roll call vote.

At 4:12 P.M. Chairman Jaffe motioned to adjourn and Member Gould seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta  
Secretary to the Administrator